	Application No.	Applicant(s)
Notice of Allowability	09/812,225	MALITZIS ET AL.
	Examiner	**Art Unit**
	Clifford Madamba	3609

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS` NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to *July 11, 2007*.

2. ☒ The allowed claim(s) is/are *1-30*.

3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a) ☐ All   b) ☐ Some*   c) ☐ None of the:

      1. ☐ Certified copies of the priority documents have been received.

      2. ☐ Certified copies of the priority documents have been received in Application No. _____ .

      3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

    * Certified copies not received: _____ .

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.
THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.

5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.

    (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached

      1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.

    (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of

    Paper No./Mail Date _____.

    Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).

6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. ☐ Notice of References Cited (PTO-892)

2. ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)

3. ☒ Information Disclosure Statements (PTO/SB/08), Paper No./Mail Date *July 11, 2007*

4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material

5. ☐ Notice of Informal Patent Application

6. ☐ Interview Summary (PTO-413), Paper No./Mail Date _____ .

7. ☐ Examiner's Amendment/Comment

8. ☒ Examiner's Statement of Reasons for Allowance

9. ☐ Other _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after notice of allowance. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office Action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on July 11, 2007 has been entered.

Information Disclosure Statement

The IDS filed on July 11, 2007 has been reviewed by the examiner and the content of the patents and patent applications provided in the IDS dated July 11, 2007 has been considered.

Allowable Subject Matter

Claims 1-30 are allowed.

The following is an examiner's statement of reasons for allowance: the prior art does not teach or suggest each and every limitation of the independent claims. The present invention is directed toward a method, system and computer program product for trading odd lots of a security in an electronic market for trading securities.

The broadest claim, Independent Claim 1 reads:

1. A method for trading odd lots of a security in an electronic market for trading securities, the method comprises:

- Determining in a computer system whether an odd-lot exposure limit has been exceeded for a quoting market participant;
- Routing a received odd-lot order for execution or delivery to the quoting market participant whose odd-lot exposure limit has not been exceeded and which is sufficient to satisfy execution of the order," and
- Executing the order for quoting market participants that accept executions of orders or delivering the order for quoting market participants that accept deliveries of orders for execution.

Essentially the method of the applicant determines the maximum amount of exposure a market participant is willing to accept with regards to odd-lot shares. Each quoting market participant enters the 'odd-lot exposure limit' into the system, which in turn is decremented each time an odd-lot order is executed for this quoting market participant. If the system determines that a proposed order execution would exceed the cumulative 'odd-lot exposure limit' of a particular market participant, the routing and execution of this order will not occur and the system will look to execute the order with a participant whose limit has not been exceeded.

The examiner has searched the prior art and believes the present application to be in condition for allowance based on the disclosure of the aforementioned 'odd-lot exposure limit.'

Defined by the applicant, the 'odd-lot exposure limits, e.g., a voluntary limit set by a market participant, e.g., a market maker, that indicates how many odd-lot shares the market participant would like exposure to and/or execute against (Remarks Page 10, 1/23/07). Explicitly in the specification the applicant cites "In general, a market maker can and will maintain different exposure limits for each security that it makes a market in. The exposure limit can be set by

the market maker. The odd-lot execution manager does not execute an odd-lot order against a market maker unless the market maker had a sufficient exposure limit to fill the odd-lot order. Despite the potential for odd-lot processing in a security to suspend if no market maker establishes an exposure limit, it is likely that competitive forces to capture and service this segment of the market will yield swift and robust processing of odd-lot transactions." (Spec page 2, line 30-page 3, line 8)

With regards to the odd-lot execution manager, applicant discloses, "executions occur when the odd-lot order becomes marketable, i.e., when the best price in the system moves to the price of the odd-lot limit order. The odd-lot execution manager 26g will not decrease the market maker's displayed quote size; rather it will decrease the market maker's odd-lot exposure limit. The odd-lot execution manager 26g accesses the "odd-lot exposure limit" parameter that is maintained for market makers. The odd-lot execution manager 26g also accesses and maintains a market maker interval delay between odd-lot executions against the same market maker. Odd-lots are processed in a round-robin fashion against a market maker even if it is not at the inside; odd-lots are processed only against those market makers who have an available odd-lot exposure limit." (Page 15, lines 14-27)

The prior art of record does not appear to disclose the use of said 'odd-lot exposure limit,' nor the use of the odd-lot execution manager, that determines the balance of this limit and will only process orders against participants with an available exposure limit.

The closest prior art of record is:

• Samukawa et al (hereinafter Samukawa; US 2002/0023043 A1).

Samukawa discloses a system and method for supporting odd-lot trading. A method of the first aspect of the present invention for supporting a trading of an odd-lot that is less than a round lot stock number determined in every stock company comprises the steps of: receiving from a customer, an odd-lot selling order or an odd-lot buying order for a particular stock company and storing information

of the order into a storage device; judging whether or not the number of total stocks of the odd-lot

selling orders or the number of total stocks of the odd-lot buying orders received at the receiving step

is over a threshold value that is less than the round lot stock number and is determined by a

predetermined rule (for example, step $9 in Fig. 2 or step $39 in Fig. 10); and if it is judged at the

judging step that the number of total stocks of the odd-lot selling orders or the number of total stocks

of the odd-lot buying orders is over the threshold, generating a selling order of the round lot stock

number defined for the particular stock company for the odd-lot selling orders or a buying order of the

round lot stock number defined for the particular stock company for the odd-lot buying orders and

outputting information of the order (for example, step $11 in Fig. 2, or step $41 in Fig. 10). However

absent from Samukawa is a teaching or suggestion of the proposed 'odd-lot exposure limit' as defined

by the applicant, as well as the odd-lot execution manager. Samukawa essentially sums multiple odd-

lot orders of a security to create round lot orders.

- Serkin et al (hereinafter Serkin; US 2002/0161687 A1).

Serkin discloses a match-off order flow in an electronic market system. In the method of Serkin,

"referring to FIG. 8, an odd-lot execution manager 26g is shown. The odd-lot execution manager 26g

will accept and execute orders of less than one normal unit of trading, i.e., odd-lot orders or orders

less than one round lot (i.e., 100 shares for equities). The odd-lot execution manager 26g is a

separate mechanism for processing and executing these orders as distinct from normal units of

trading. Odd-lot execution manager 26g will detect 164 and hold 166 odd-lot orders in a separate file

and automatically execute 170 such odd-lots against market makers 177 in round robin rotation

whenever the odd-lot order becomes marketable, i.e., when the best price in the system moves to the

price of the odd-lot limit order. For example, if a member enters a market order for 50 shares into the

system, odd-lot execution manager 26g will immediately and automatically execute the order at the

inside price against the market maker that is first in rotation for execution of such orders, regardless

of the market maker's quoted price. The odd-lot execution manager 26g will not decrease the market

maker's displayed size." (Page 6, Paragraphs 0072-0073). Thus while it appears that Serkin may

disclose the odd-lot order execution manager, Serkin does not teach or suggest the 'odd-lot exposure limit,' as recited in the present invention. Furthermore since Serkin explicitly states that "the odd-lot execution manager will not decrease the market makers' displayed size," it appears as if Serkin may in fact teach away from the proposed present invention. The present invention explicitly calls for decrementing the odd-lot exposure limit.

The remaining claims contain limitations similar to those of claim 1 and are therefore considered allowable for the same reasons.

Thus, it is submitted that the present application is allowable over the prior art based on, at least, the disclosure of the aforementioned 'odd-lot exposure limit,' and its impact on the routing and execution of the order.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clifford Madamba whose telephone number is 571-270-1239. The examiner can normally be reached on Mon-Thu 7:30-5:00 EST Alternate Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi, can be reached at 571-272-6702.   The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only.   For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).   If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Clifford Madamba
Patent Examiner
August 24, 2007

Kambiz Abdi
Supervisory Primary Examiner
August 24, 2007